

# News from Ed Markey

## United States Congress Massachusetts Seventh District

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### **REPS. MARKEY, DELAY INTRODUCE**

### **BIPARTISAN ELECTRICITY RELIABILITY LEGISLATION**

**WASHINGTON, D.C.** -- U.S. Representative Edward J. Markey (D-MA) today announced that he had joined with Representative Tom Delay (R-TX) in introducing bipartisan legislation aimed at preserving and enhancing the reliability of the nation's electricity supply and preventing utility market power from undermining the reliability of the nation's electricity supply.

"I'm pleased to be joining with Tom Delay in introducing this legislation," said Rep. Markey, who explained that, "as the nation's wholesale and retail electricity systems move from the old world of utility monopolies towards a competitive market, consumers have a right to expect that whenever they turn the power switch, the lights will come on. Our bill provides the legal and regulatory tools needed to assure this will happen."

Rep. Markey is a senior member of the Commerce Committee's Subcommittee on Energy and Power, and formerly served as the Chairman of the Committee's Subcommittee on Energy Conservation and Power. He authored the 1992 legislation that opened up wholesale competition in electric energy, and in the 104th Congress introduced the first comprehensive bills aimed at opening up retail competition. Last year, Rep. Markey introduced H.R. 1960, the "Electric Power Competition and Consumer Choice Act of 1997," which would encourage state action to open up retail electricity competition by linking changes in certain federal laws governing electric utility operations to state action to eliminate monopoly control over electricity generation. H.R. 1960 also contained provisions relating to electricity reliability, consumer and environmental protection, and curbs on utility market power.

The bill Rep. Markey joined in introducing late last night, H.R. 4432, the "Electric System Reliability Act of 1998," does not seek to comprehensively restructure the electric utility industry or address all of the issues raised by the move towards full retail competition. Instead, it seeks to assure that as restructuring takes place - either as the result of federal or state actions - it does not degrade reliability. Specifically, the Delay-Markey bill would:

- Establish Federal Energy Regulatory Commission (FERC) authority over a Self-Regulating Reliability Organization (SROs) which would be empowered to establish and enforce reliability standards and practices;
- Grant FERC authority to establish Independent System Operators (ISOs) to control the operations of the nation's electricity transmission wires and ensure their safe and reliable operation;
- Grant FERC authority to require utilities to divest themselves of generation or transmission assets if needed to address constraints or restrictions on transmission access or anti-competitive actions which restrict power

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- flows, raise prices, and reduce reliability;
- Expand FERC's authority to order interconnection of transmission systems;
- Allow for the creation of "exempt transmitting utilities" that could own transmission systems out of their service region without becoming subject to the full panoply of regulations prescribed under the Public Utility Holding Company Act of 1935 ("PUHCA"); and,
- Encourage states to establish single siting authorities to review and consider requests for siting of new transmission lines needed to relieve transmission constraints and assure reliability, by providing authority for ISO's to assume responsibility for transmission siting if states fail to establish such authorities (subject to the concurrence of the Governor of the affected state).

Rep. Markey concluded, "I believe that the movement to full competition in the electric utility industry is inevitable and inexorable, and that Congress needs to start acting now to adjust current regulatory structures to address this phenomenon. The Delay-Markey bill represents an important first step in this direction."

Copies of H.R. 4432 and a section-by-section analysis of the bill can be obtained from Rep. Markey's office.

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